

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

PHI ACQUISITIONS NSA

Docket No. MC2014-21

PHI ACQUISITIONS NSA

Docket No. R2014-6

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 4, QUESTION 3**
(May 6, 2014)

The United States Postal Service hereby provides its response to Chairman's Information Request (CHIR) No. 4, Question 3. CHIR No. 4 was issued April 29, 2014, and responses were due by May 2, 2014. Responses to Questions 1 and 2 were provided on May 2. The response to Question 3 is attached. The question is reprinted verbatim, and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-3179, Fax -6187
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3. Please provide quarterly billing determinant data for PHI from FY 2013 Quarter 1 through FY 2014 Quarter 2.

RESPONSE:

The Postal Service submits that this historical billing determinant data is not a useful measure in this case, because it does not take into account the introduction of the FSS price category and other price adjustments made in January 2014. The methodology employed by the Postal Service and PHI takes into account these price and classification changes, and remains the best method available for analyzing the projected volumes and financial benefit from this NSA.

Mailer-specific billing determinant data, if available, is not reported on a quarterly basis. The Postal Service is working on gathering and verifying PHI's billing determinant data, but it expects it could take an additional week to ten days to produce the data for the Commission. The process requires an outside contractor to perform this work on behalf of the Postal Service. The contractor is currently working on several other postal data requests that predate the instant request for PHI billing determinants, but we will ask that priority be given to this assignment to the extent practicable.

The Postal Service respectfully emphasizes the importance of an expeditious determination in this instance. PHI must perform several key activities and make significant investments in order to implement this NSA by July 2014. These activities cannot begin prior to regulatory approval of the NSA. Both PHI and the Postal Service want to avoid any unnecessary delay that may threaten the ability of the parties to implement this agreement by July.